Wyoming Department of Health
Aging Division

Policy Information Notice

DATE: November 03, 2008   **PIN #: FISC-2008-01**

SUBJECT: **Interest Bearing Checking Accounts**

TO: All Non-Profit Aging Division Contractors Receiving Federal Funds

This Policy information Notice (PIN) provides guidance relating to the deposit of federal funds disbursed through the Aging Division. This PIN addresses the following topics:

1. Deposit of Federal Funds into Interest-Bearing Bank Accounts
2. Prohibited deposit of Federal Funds into savings accounts or purchase of certificates of deposit
3. Remittance of interest earned on Federal Funds to Aging Division

Definitions:

Division = Aging Division of the Wyoming Department of Health

Guidance:

1. Non-profit organizations are required under OMB Circular A-110 and 45 CFR Part 74.22(k), to deposit advances of federal funds deposited in interest-bearing bank accounts, unless one of the following conditions apply:
    a. The recipient receives less than $120,000 in Federal awards per year.
    b. The best reasonably available interest bearing account would not be expected to earn interest in excess of $250 per year on Federal cash balances. *Interest amounts earned up to the $250 per year may be retained by the recipient for administrative expenses.*

2. Under no circumstances will any advanced Aging Division federal funds be placed in a savings account or be utilized to purchase Certificates of Deposit. Doing so will result in appropriate sanctions against the program, project, and/or contractor. All interest accrued in the account shall be sent to the Division.

3. The provisions of 45 CFR 74.22(k) require deposits to be made in interest-bearing accounts and 45 CFR 74.22(l) requires that the interest earned on federal advances deposited in interest-bearing accounts be remitted annually, if in excess of $250.00 per year, through the Division to the Department of Health and Human Services. Remittance timelines will be included in funding contracts.

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